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JobKeeper Payment for sole traders

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Sole traders may be eligible to receive the JobKeeper Payment if their turnover has reduced. Following registration by the eligible business, the Government will provide \$1,500 per fortnight per eligible employee for a maximum of 6 months. This will support sole traders to maintain their income and connection with employees.

A sole trader is a business structure where the individual owner is legally responsible for all aspects of the business including any debts and losses and day-to-day business decisions. A sole trader may or may not employ other people in their business.

Sole traders may be eligible to receive the JobKeeper Payment if their turnover has reduced. Following registration by the eligible business, the Government will provide \$1,500 per fortnight per eligible employee for a maximum of 6 months. This will support sole traders to maintain their income and connection with employees.

The Government is also temporarily expanding the eligibility criteria for the JobKeeper Payment to support sole traders if their income is negatively affected by the economic impact of the Coronavirus.

For example, as a member of a couple you could receive up to \$1060.80 per fortnight through the JobKeeper Payment and Coronavirus supplement, although the precise amount will depend on the amount of income you and your partner continue to earn. Receiving the JobKeeper Payment may also make you eligible for other Government payments like Rent Assistance and the Energy Supplement.

If you receive the JobKeeper Payment as a non-employing sole trader, this may affect your eligibility for payments from Services Australia as you must report your JobKeeper Payment as income.

Eligibility

Sole traders (including those who are self-employed or have employees) will be eligible for the subsidy if:

- their business has a turnover of less than \$1 billion and their turnover will be reduced by more than 30 per cent relative to a comparable period a year ago (of at least a month); or
- their business has a turnover of \$1 billion or more and their turnover will be reduced by more than

50 percent relative to a comparable period a year ago (of at least a month).

Self-employed individuals will be eligible to receive the JobKeeper Payment where they have suffered. Sole traders must elect to participate in the scheme. They will need to make an application to the Australian Taxation Office (ATO) and continue to provide information to the ATO on a monthly basis, including the number of eligible employees employed by the business.

Eligible sole traders with employees will receive the payment for each eligible employee that was on their books on 1 March 2020 and continues to be engaged by that sole trader – including part-time and stood down employees. To be eligible, the employee must be an Australian citizen, or the holder of a visa that would allow them to be eligible for the JobSeeker Payment, or a Special Category (Subclass 444) visa holder. Casual employees are not eligible for the JobKeeper Payment, except those employees who had been with their employer on a regular basis for at least the previous 12 months as at 1 March 2020.

Eligible sole traders with employees who have stood down their employees before the commencement of this scheme will be able to participate. Employees that are re-engaged by a business that was their employer on 1 March 2020 will also be eligible.

In circumstances where an employee is accessing support through Services Australia because they have been stood down or had their hours reduced and the employee will be eligible for the JobKeeper Payment, the employee should advise Services Australia [of their change in circumstances online at my.gov.au](#) or by telephone.

Where employees have multiple employers – only one employer will be eligible to receive the payment. The employee will need to notify their primary employer to claim the JobKeeper Payment on their behalf. The claiming of the tax free threshold will in most cases be sufficient notification that an employer is the employee's primary employer.

Payment process

Eligible sole traders will be paid \$1,500 per fortnight per eligible employee (which may include the individual themselves if they are self-employed). Eligible employees will receive, at a minimum, \$1,500 per fortnight, before tax. Where sole traders participate in the scheme, either they or their employees will receive this Payment in a number of different ways.

- If the employee ordinarily receives \$1,500 or more in income per fortnight before tax, the employee will continue to receive their regular income according to their prevailing workplace arrangements. The JobKeeper Payment will assist the sole trader to continue operating by subsidising part or all of the income for themselves or for their employee(s).
- If the employee ordinarily receives less than \$1,500 in income per fortnight before tax, the sole trader must pay their employee, at a minimum, \$1,500 per fortnight, before tax.
- If the employee has been stood down, the sole trader must pay the employee, at a minimum,

\$1,500 per fortnight, before tax.

- If the employee was employed on 1 March 2020, subsequently ceased employment with the sole trader, and then has been re-engaged by the same eligible sole trader, the employee will receive, at a minimum, \$1,500 per fortnight, before tax.

It will be up to the employer if they want to pay superannuation on any additional wage paid because of the JobKeeper Payment.

Payments will be made to the sole trader monthly in arrears by the ATO.

Timing

The subsidy will start on 30 March 2020, with the first payments to be received by sole traders in the first week of May. Sole traders will be able to register their interest in participating in the Payment from 30 March 2020 on the ATO website.

Examples of how the JobKeeper Payment can help sole traders

Sole who is self-employed

Melissa is a sole trader running a florist. She does not have employees. Melissa's business has been in operation for several years. The economic downturn due to the Coronavirus has adversely affected Melissa's business, and she expects that her business turnover will fall by more than 30 percent compared to a typical month in 2019.

Melissa will be able to apply for the JobKeeper Payment and would receive \$1,500 per fortnight before tax, paid on a monthly basis.

Sole trader with employees

Heidi is a sole trader and has one permanent part-time employee, Megan, who earns \$1,000 a fortnight before tax. Heidi has a beekeeping business, selling honey products at markets and running beekeeping courses.

Heidi's business has been adversely affected by the Coronavirus, and her turnover has dropped by more than 30 per cent. Megan is still working at Heidi's business, including taking care of the bees. Under the Jobkeeper Payment, Heidi is eligible to make a claim for the JobKeeper Payment for Megan for a maximum of six months. Heidi can also claim for herself. This will support Heidi to continue her business operations.

Heidi is required to advise Megan that she has been nominated to the ATO as an eligible employee to receive the payment.

Heidi receives \$1,500 per fortnight before tax from the JobKeeper Payment which will subsidise the cost of Megan's salary. Megan will continue to receive her \$1,000 per fortnight before tax salary and an additional \$500 per fortnight before tax, totalling \$1,500 per fortnight before tax. Heidi must continue to pay superannuation guarantee on the \$1,000 per fortnight of wages that Megan is earning.

Heidi has the option of choosing to pay superannuation guarantee on the additional \$500 paid to Megan under the JobKeeper Payment. Heidi also may be eligible to receive assistance through the Boosting Cash Flow for Employers measure.